

## Message Text

LIMITED OFFICIAL USE

PAGE 01 SINGAP 00367 230402Z

15

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-03 SS-15 NSC-05 /047 W

----- 115492

R 230300Z JAN 76

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 4406

LIMITED OFFICIAL USE SINGAPORE 0367

E.O. 11652: N/A

TAGS: EAIR,SN

SUBJECT: US-SINGAPORE CIVAIR NEGOTIATIONS

REF: SINGAPORE 294

1. SUMMARY. CIVAIR NEGOTIATIONS RECESSED JANUARY 22 WITHOUT AGREEMENT AFTER USDEL TOOK POSITION THAT INCLUSION OF ANY JAPAN-US FIFTH FREEDOM RIGHTS FOR SINGAPORE WOULD SEVERELY IMBALANCE ROUTE EXCHANGE IN FAVOR OF SINGAPORE. SINGAPORE DEL DID NOT CHALLENGE THIS ASSERTION, BUT URGED US TO EXPAND ITS OWN ROUTE INTERESTS FOR LONG-TERM POTENTIAL. USDEL RESPONDED THAT, SINCE POSSIBILITY USING OTHER ROUTE RIGHTS WAS HYPOTHETICAL ONLY, IT COULD NOT EXPAND ITS ROUTE REQUEST EXCEPT marginally (E.G. KUALA LUMPUR-SINGAPORE RIGHTS). MEMORANDUM OF CONSULTATIONS SIGNED RECORDING RESPECTIVE POSITIONS. SINGAPORE VOLUNTEERED EXTEND PANAM'S LICENCE FOR 3 MONTHS ON UNDERSTANDING CONSULTATIONS RESUMED WITHIN THAT PERIOD. USDEL AGREE RESUME AT MUTUALLY CONVENIENT TIME DURING THIS PERIOD AFTER NOTING CIRCUMSTANCES NOT LIKELY CHANGE. END SUMMARY.

2. SINGAPORE DEL OFFERED DEFINE ITS ROUTE INTERESTS MORE PRECISELY THAN HERETOFORE. SPECIFICALLY, IT PROPOSED A SINGAPORE-HONG KONG-TAIPEI-TOKYO-HONOLULU-LOS ANGELES ROUTE TO BE OPERATED WITH DAILY 747 SERVICE.

ROUTE WOULD NOT BE OPERATED BEFORE APRIL 1, 1977. USDEL,  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SINGAP 00367 230402Z

CITING RELEVANT STATISTICS AND USING SINGAPORE DEL'S OWN

ASSUMPTIONS RE MARKET SHARE, SHOWED THAT THE VALUE OF TOKYO-HONOLULU ALONE FAR EXCEEDED TOTAL VALUE OF US ROUTE PROPOSAL. WE ALSO POINTED OUT THAT DAILY 747 AT 60 PERCENT LOAD FACTOR WOULD FILL 175,200 SEATS WHICH WOULD PRODUCE REVENUES EXCEEDING BY MANY TIMES THE REVENUES WHICH COULD BE DERIVED FROM THE US ROUTE. WE NOTED THAT, EVEN IF SINGAPORE AIRLINES OPERATED ONLY THREE 747 FLIGHTS A WEEK, THE FIFTH FREEDOM VALUES FOR SINGAPORE WOULD STILL EXCEED THE TOTAL VALUE OF US ROUTE BY A WIDE MARGIN.

3. SINGAPORE DEL DID NOT CHALLENGE THESE FIGURES OR SEEK TO CONTEST THE CONCLUSION WE HAD DRAWN. INSTEAD, IT URGED USDEL TO CONSIDER EXPANDING ITS ROUTE INTERESTS BASED ON LONG-TERM POTENTIAL. (WHILE IT DID NOT FORMALLY PROPOSE SPECIFICS, IT WAS CLEAR FROM SUBSEQUENT INFORMAL REMARKS THAT SINGAPORE WOULD GRANT FULL FIFTH FREEDOM RIGHTS ON VIRTUALLY ANY ROUTE SEGMENT US MIGHT WANT, INCLUDING TOKYO-SINGAPORE, SINGAPORE-BANGKOK, AND ROUND-THE-WORLD). WE NOTED THAT FLYING TIGER HAD APPLIED TO CAB FOR SINGAPORE RIGHTS, BUT CURRENT US POLICY DID NOT CALL FOR OBTAINING ROUTE RIGHTS BASED ON CONJECTURE AS TO OUTCOME THAT (OR ANY OTHER) APPLICATION. IN SHORT, USDEL HELD FIRM THAT THERE WAS NO WAY US COULD OR WOULD EXPAND ITS ROUTE REQUEST, OTHER THAN KUALA LUMPUR-SINGAPORE, WHICH WE CHARACTERIZED AS DROP IN BUCKET.

4. SINGAPORE DEL SAID IT HAD HOPED THAT, BY US EXPANDING ITS ROUTE REQUEST AND SINGAPORE LIMITING ITS ROUTE REQUEST, IT WOULD BE POSSIBLE TO WORK TOWARD A SOLUTION WHICH WOULD INCLUDE TOKYO-US FIFTH FREEDOM RIGHTS FOR SINGAPORE. HOWEVER, SINCE US WOULD OR COULD NOT MOVE FROM ITS END, THE DIFFERENCES WERE SO GREAT THAT IT WAS POINTLESS TO PURSUE A SOLUTION FURTHER AT THIS TIME. USDEL AGREED WITH THIS ASSESSMENT. SINGAPORE DEL CHARACTERIZED RESULTING SITUATION AS UNFAIR SINCE US NOW ENJOYED AN IMBALANCE IN ITS FAVOR. IT ATTEMPTED TO IMPLY THAT US WAS INSISTING ON CONTINUATION OF THIS UNBALANCED SITUATION. WHILE USDEL SAID NOTHING TO SUGGEST THAT SINGAPORE SHOULD TERMINATE PANAM'S SERVICES IN ORDER TO ACHIEVE BALANCE AT ZERO LEVEL, IT EQUALLY AVOIDED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SINGAP 00367 230402Z

REQUESTING EXTENSION PANAM'S LICENSE BEYOND JANUARY 31. SINGAPORE DEL REQUESTED FURTHER ROUND OF TALKS BY APRIL 30 AND VOLUNTEERED EXTEND PANAM'S LICENSE IN MEANTIME. WE INDICATED WILLINGNESS MEET AT MUTUALLY CONVENIENT TIME WITHIN THIS TIME PERIOD BUT QUESTIONED WHETHER THERE WOULD OR COULD BE ANY CHANGE IN US POSITION.

5. SINGAPORE DEL RAISED CARGO SERVICE QUESTION AGAIN,

NOTING THAT SINGAPORE AIRLINES' APPLICATION TO CAB, WHICH WOULD BE SUBMITTED SHORTLY, WAS FOR SINGAPORE-HONG KONG-GUAM-HONOLULU-LOS ANGELES ROUTE. SERVICE WOULD BE WITH ONE 707 OR DC-8 FREIGHTER PER WEEK, WITH WESTBOUND FLIGHT OMITTING HONG KONG. USDEL SAID IT COULD ONLY MAKE OBSERVATIONS, SINCE IT WOULD NOT PREJUDGE CAB DECISION, AS FOLLOWS: (A) PARA 9 JULY 1974 MEMCON WAS NOT COMMITMENT AND MOREOVER CONTAINED QUALIFICATION RE FIFTH FREEDOM CARGO AUTHORITY FOR SINGAPORE AIRLINES; (B) HONG KONG-US FIFTH FREEDOM RIGHTS FOR SINGAPORE NOT EQUIVALENT IN VALUE TO FIFTH FREEDOM RIGHTS FOR US; (C) HONG KONG-SINGAPORE RIGHTS FOR US WORTHLESS SINCE US DID NOT HAVE THEM FROM UK; (D) THERE WAS NO POSSIBILITY CAB COULD ACT ON SINGAPORE AIRLINES' APPLICATION BY APRIL 1 DUE TO PROCEDURAL REQUIREMENTS. USDEL NOTED IT WAS OPEN TO SINGAPORE DEL TO PROPOSE INTERGOVERNMENTAL UNDERSTANDING ON INTERIM CARGO RIGHTS, BUT IF SUCH PROPOSAL MADE, USDEL WOULD HAVE TO SEEK INSTRUCTIONS. AFTER SOME INTERNAL DEBATE ON SINGAPORE SIDE, SINGAPORE DEL SAID IT DID NOT WANT TO MAKE SUCH A PROPOSAL, PRESUMABLY BECAUSE IT FELT SUCH ARRANGEMENT MIGHT PREJUDICE MAIN QUEST FOR ROUTE VIA TOKYO FOR PASSENGER SERVICE.

6. MEMORANDUM OF CONSULTATIONS SIGNED RECORDING RESPECTIVE POSITIONS AND HOW MATTERS LEFT WITH REGARD FURTHER CONSULTATIONS AND EXTENSION PANAM' LICENSE. COPY BEING POUCHED.  
GRANT

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AVIATION AGREEMENTS, NEGOTIATIONS, AIR ROUTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976SINGAP00367  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760026-0451  
**From:** SINGAPORE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760127/aaaaaxnm.tel  
**Line Count:** 143  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 SINGAPORE 294  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 MAY 2004 by buchant0>; APPROVED <27 MAY 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US-SINGAPORE CIVAIR NEGOTIATIONS  
**TAGS:** EAIR, SN, US, JA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006